

Bush Innovation Grant Application

QUESTION 1: Provide a brief overview of your organization. If you're applying as a fiscal sponsor, please briefly describe both your organization and the group you're sponsoring.

The Minnesota Institute for Sustainable Agriculture (MISA) is a partnership between the University of Minnesota's (U of MN) College of Food, Agricultural and Natural Resource Sciences (CFANS), University of Minnesota Extension (U of MN Extension), and the "Sustainers' Coalition," a group of five community-based non-profit organizations that work in areas that include sustainable agriculture, local food systems, renewable energy, and agricultural policy. Sustainers' Coalition members include the Institute for Agriculture & Trade Policy, Land Stewardship Project, Minnesota Food Association, Sustainable Farming Association of Minnesota, and The Minnesota Project. Two of MISA's key roles are to be a bridge between the resources of the University and the sustainable agriculture community; and to collect and disseminate reliable information on sustainable agriculture-related topics.

The Local Food Advisory Committee (LFAC) was established in January of 2013 to address issues at the intersection of local/regional food systems and regulatory systems, in a cooperative setting. Recurrent difficulties experienced by MISA and others in comprehending regulations that seemed excessively complex and sometimes contradictory was part of the impetus for formation of the LFAC. This group, the envy of local food systems people in neighboring states, is an amazing forum where regulators and representatives from farm and food groups sit down and have candid discussions about issues in the field. We are committed to finding solutions.

The LFAC includes MISA staff, U of MN Extension staff and faculty, representatives of community-based organizations including farmer organizations, and staff members and a delegated authority representative from the Minnesota Department of Agriculture (MDA) and Minnesota Department of Health (MDH), the agencies that regulate food in Minnesota.

QUESTION 2a: What is the problem that you're trying to solve with the process proposed in this application?

For decades the local food community in Minnesota was small, and regulators could address the unique circumstances of local food businesses by handling licensure and inspection on a case-by-case basis. Interest has grown among farmers and food makers in local food business opportunities. It is apparent that many of these emerging business models are square pegs trying to fit into the round holes of the current regulatory framework. Yet, accommodating innovation and new business models is important for increasing local communities' access to a diversified, culturally appropriate food supply. Various piecemeal fixes have been put in place over the years, but the resulting system is cumbersome. As one former regulator says, "The current system cannot be explained to the average person. That needs to change."

When a farmer or food entrepreneur first seeks licensing for their business, they often do not know how to make contact with a regulator; and they may be uncertain whether their business should be inspected by the MDA, MDH, or delegated authority under either MDA or MDH. The state-level regulatory oversight scenario in different parts of the state ranges from a minimum of two agencies within a county (MDA, MDH) to nine agencies in one county (MDA, one county delegated authority and seven city delegated authorities). These divisions of jurisdiction can change even across the street within a single community. Calling an agency and getting transferred several times is a common experience for new food entrepreneurs, as are delays in response to licensing requests. It can be hard for individuals to find information about regulations that apply to their situation. In some cases, farmers and food entrepreneurs invent business models or food handling processes that do not comply with current regulations and risk costly mitigation steps, fines, or even closure of their business. These enforcement situations are also costly and time-consuming for the regulatory agencies. The farmers and food entrepreneurs, their educators and advisers, and regulators are all frustrated by this situation.

Minnesota is not alone. Many other states are wrestling with similar issues. We believe that Minnesota is well-placed to develop a model system to deal with these changes. We propose an effort that will use the existing LFAC structure, to:

- Focus on goals of food safety, regulatory efficiency, and small-business viability.
- Look broadly at potential regulatory and non-regulatory approaches to achieving those goals.
- Develop consensus on structures or processes that would achieve the goals.
- Develop and implement a strategy to change the climate around food regulation in Minnesota.

QUESTION 2b: Who identified the problem?

The problem was identified through the work of the LFAC. At a meeting in September 2014 (which involved 3 people from MDH, 1 person from a local delegated authority under the MDH, 5 people from MDA, 4 university people, 1 citizen representative, and 4 representatives from local food and farm organizations) - a key agenda item was looking at a dozen scenarios of food makers who wanted to sell at different venues and determining what licenses they would need. It was a challenging exercise for all present, and highlighted the need for a better system.

QUESTION 2c: How did you decide to work towards creating a new solution for this particular problem? (200 words maximum) (184 words)

MISA has long been engaged in an effort to understand and explain food regulations that impact farmers and local food systems. In 2007 we released the Marketing Local Food book, our first publication focused on educating local food entrepreneurs on some of these issues. Over the course of a year and half of LFAC discussions beginning in January 2013, it became clear that regulators in MDA, MDH and local agencies were also sometimes frustrated by their own difficulty in explaining regulations to the non-regulators in the group, the inconsistencies

of interpretation between agencies, and the systemic restraints that limited their ability to be effective educators of their licensees. In fact, the suggestion to consider re-organizing the regulatory system to make the system more comprehensible to the regulated community, and to allow more time to be spent on food safety education and outreach from farm to fork, came from Colleen Paulus, who had recently retired from the MDH.

- How is the problem you've identified typically addressed in your field? Describe the current "status quo" approach and why something different is needed. (150 words maximum) (144 words)

When an issue arises regarding licensing and compliance of a farmer or food business in a local/regional food system, the matter is typically handled at the local level by an MDA or MDH inspector; or by a city or county inspector in areas under "delegated authority" from MDA or MDH. The regulatory agencies have begun efforts to communicate with each other more, state agencies have provided improved online access to information about inspector territories, and the MDA has begun a database to track interpretations of complex licensing situations; but more systemic changes are needed to improve timeliness of response, consistency, and a focus on education and outreach.

The Problem-Solving Process

- In 500 words or less:
 - o Provide a short overview of the process you will use to pursue a breakthrough. (2 - 3 sentences)

Discussions about simplifying and streamlining the licensing and inspection system are already taking place within MDA and MDH, and in LFAC meetings. We will use the LFAC and the Bush grant as a way to accelerate and focus that work, providing space and support for the regulatory agency staff to engage with farmer and community groups in the process. (59 words)

- o Provide a bulleted list of key activities you are proposing during the grant term.

o Explain why you've selected each of these activities. If you are proposing work that begins in the "test and implement" stage of the innovation process, be sure to describe how you identified the idea you're seeking to test/implement.

- Assemble a workgroup composed of stakeholders recruited via the LFAC structure.
 - o Why: For broad buy-in to changes and avoidance of unintended consequences, it is important to be advised by as diverse a group as possible of those who will be affected by any change in regulatory approach.
- Analyze licensing categories and identify areas of confusion (already begun within agencies and via LFAC).

- Why: The licensing categories are complex and interweave with each other in the case of new and complex business models. Understanding clearly how licenses are currently applied is a key first step in identifying what could be changed.
- Analyze regulatory system and identify areas of confusion, overlap, and gaps (already begun within agencies and via LFAC).
 - Why: The regulatory system currently in place has been built piecemeal over decades through political action, legislation, interpretation, and reaction to events such as illness outbreaks. Systematic analysis of the whole system with an eye toward making it serve the goals of food safety, regulatory efficiency, and business viability has not been done.
- Develop organizational chart for MDA and MDH to identify logical pathways for licensing, inspection, and oversight tasks.
 - Why: Discussion during an LFAC meeting highlighted the importance of laying out an organizational chart in order to develop logical sequences for actions and efficient intra- and inter-organization communication.
- Develop consensus list of potential actions to address issues, ordered by ease and cost of accomplishing.
 - Why: Consensus is critical. The current system is far from perfect, but we also recognize the high potential for harmful unintended consequences of change. Even change that everyone agrees will be beneficial in the long-run could cause painful short-term consequences to some parties. We will not seek action on changes that are not thoroughly vetted and agreed-upon. There must be buy-in from both the regulating agencies and the regulated community in order to justify pursuit of changes to a system that currently is functioning, if not as smoothly as we would like. If legislative changes are needed to accomplish any proposed actions, any proposed legislation must be accompanied by a demonstration of its neutral or positive implications for the state budget.
- Identify who will implement actions, establish time-frames for implementation, and secure commitments to implement.
 - Why: This step will provide accountability among the workgroup members. Up-front knowledge that this commitment step will be required will help to focus the discussions and will give members of the workgroup assurance that their participation time will not be wasted.

(418 words)

Which of the following stage(s) of innovation best describes your proposed project?
(Select up to four.)

Increase collective understanding of the issue

Generate ideas

Test and implement solutions

- WHO will you engage in problem-solving? We are looking for processes that are inclusive: meaningfully engaging key stakeholders - thoughtfully identifying those needed to create the intended change and, whenever possible, including those directly affected by the problem. (150 words maximum) (97 words)

Our LFAC includes organizations that are directly involved in licensing and regulating food businesses (MDA, MDH, and delegated authorities), organizations that represent farmers, an organization of meat processors, and organizations with broad connections in local food systems. We will include representatives from each organization currently sitting on LFAC, but will also use the connections of those currently engaged groups and individuals to reach out to a broader array of stakeholders: grocers; chefs; institutional food service staff; immigrant and minority farmers, producers and restaurant owners; additional representatives of different types and sizes of delegated authorities; and small-scale food entrepreneurs.

- HOW will you work with other partners through the problem-solving process? We are looking for processes that are collaborative: a true joint effort, with partners willing to share ownership and decision-making as they pursue and innovation together. (150 words maximum) (134 words)

We will use the process model that has worked well for LFAC thus far:

- Invite representatives of many stakeholders to attend meetings.
- Host meetings at the U of MNN St. Paul Campus, which is accessible to agency staff and community and farmer representatives.
- Use of distance communication technology to enable participation by those unable to attend in person.
- Maintain a balanced proportion of regulators and regulated community at the table.
- No topic is off-limits; humor is encouraged; rapport is built among individuals in the group; discussion is candid yet respectful; decision-making is collaborative and we work to gain consensus.
- Extensive note-taking by MISA staff followed by transcribing, summarizing, and transmittal of meeting notes back to the group. Posting of notes on a dedicated web page so that meeting proceedings are transparent and accessible to those unable to attend.

- WHAT community assets and resources will you build on as your pursue a new solution to your community problem? We are looking for processes that are resourceful: using existing resources and assets creatively to make the most of what a community already has. (150 words maximum) (114 words)

The common resource that we will build upon is knowledge: the participants that we envision for this process all have deep knowledge of their own situations, institutions, and experiences. We envision a process that brings those vastly different realms of knowledge and experience together to create new common ground.

- Existing trust and rapport among individual participants in the LFAC
- Credibility and resources of the U of MNN
- Creativity, knowledge, and experience of the farming community and the local food community
- Business knowledge and acumen of food business owners and managers
- The regulatory agency staff members' depth of knowledge of Minnesota statutes, rules, and interpretations; and also of their departments' organizational structure and culture

Outcomes and Innovation

We know that innovation takes time. In the questions below, we want to learn about both the intermediate progress you'll make during this grant term and the community innovation you ultimately imagine.

Intermediate progress:

- Provide a bulleted list of key outcomes you anticipate by the end of the grant term. What will increase, decrease, improve, etc. because of the work you've proposed? (300 words maximum) (220 words)

Key anticipated outcomes are:

- An improved climate for the regulated community of farmers and local food entrepreneurs to understand and comply with food regulations.
- An increased focus on food safety by both regulators and the regulated community.
- Decreased complexity and increased efficiency and transparency in licensing and inspection activities for food entrepreneurs.
- Improved and increased systematic support for regulators from their agencies and from the regulated community to do education and outreach work.

We expect to foster greater insight among all parties regarding how regulatory agencies interact or could interact with each other and with the regulated community.

Rapid implementation of "low-hanging fruit" identified by the work group is one intermediate outcome. We believe that there is an array of relatively small and inexpensive actions that could be implemented by regulators, educators, and the regulated community that would improve the working of the current regulatory system.

Another outcome we expect is to lay the groundwork for implementation of more complex actions defined and prioritized by the work group. A challenging, but we believe achievable, goal is to develop new approaches for a food regulatory system that: 1) Can deal effectively with the local/regional food system that includes farmers and food entrepreneurs; and 2) Has food safety, regulatory efficiency, and small business viability as co-equal goals.

The community innovation:

- Your intermediate outcomes are building towards a community innovation - a breakthrough in addressing a community need that is more effective, equitable, or sustainable than existing approaches. What is the breakthrough you imagine? What will be different? Why will it matter? (300 words maximum) (296 words)

The breakthrough innovation that we imagine is a cultural shift in the approach and expectations around the regulation of local food systems in Minnesota. We admire the recent (9/29/14) statement by USDA-APHIS (the United States Department of Agriculture's Animal and Plant Health Inspection Service): "We want to be more flexible and more responsive and we want to choose options that allow for stakeholder collaboration and buy-in. Using more non-regulatory options give us the opportunity to quickly alter our approaches as needed, for example as scientific understanding of a problem grows, as industry practices evolve, or as your needs change."

The statement from APHIS includes reference to the President's "... Executive Order 13563 ... the Federal Government's regulatory system must identify and use the best, most innovative and least burdensome tools for achieving regulatory ends." The work of LFAC thus far demonstrates that Minnesota is well-placed to adopt this philosophy. There is willingness on all sides to come together to deal with local food regulatory issues in a variety of ways, including legislative action if needed. The LFAC, in fact, was a key player in recent passage of legislation to allow offering of food samples at farmers' markets in Minnesota.

We want to see an expectation on the part of both regulators and the regulated community that they will have systematic and meaningful engagement with each other toward achieving goals of food safety, regulatory efficiency, and viability of local food businesses. We want to see an approach that consistently identifies and implements the best tools to achieve those goals, whether those are regulatory or non-regulatory methods. We want to see a local food systems culture in which regulators are educators, farmers and food entrepreneurs agree to be educated, and barriers to innovation and entrepreneurship are removed.

- Does the proposed work seek to actively reduce structural and/or systemic gaps in

access, outcomes, opportunities or treatment based on a person's race/ethnicity or economic standing? (Y/N)

No

• If yes, how? (Optional, 150 words maximum) If your work does not actively work to address racial and/or economic disparities, you do not need to provide an answer to this

Detail on Key Anticipated Outcomes:

- An improved climate for the regulated community of farmers and local food entrepreneurs to understand and comply with food regulations.
 - A license applicant can connect with the right regulator after one phone call.
 - Gaps in educational materials have been identified and fact sheets or other materials have been created to address the gaps.
- An increased focus on food safety by both regulators and the regulated community.
 - Regulations are reviewed for their scientific basis. We've seen that some are politically derived.
 - Risk-based analysis and logistics of implementing requirements are part of inspector training and are routinely considered in interpretations of statutes and rules.
 - Risk-based assessments of their operation are provided to farmers and local food entrepreneurs as part of the licensing process.
- Decreased complexity and increased efficiency and transparency in licensing and inspection activities for food entrepreneurs.
 - MDA and MDH develop a database of interpretations that can be referred to by regulators in the field
 - Fact sheets and inspector contact information are easy to find on MDA and MDH web sites
- Improved and increased systematic support for regulators from their agencies and from the regulated community to do education and outreach work.
 - Organizations and individuals involved in stakeholder meetings gain understanding of the role of regulators and convey information to their networks.
 - Agency administrators see value in the work of liaisons and educators within their departments and include support for these in budgets.